1986

ANNUAL REPORT
COORDINATING BOARD
FOR HIGHER EDUCATION

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MISSOURI COORDINATING BOARD FOR HIGHER EDUCATION

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INTRODUCTION

The Coordinating Board for Higher Education was established by a 1972 amendment to the Missouri Constitution. The Board consists of nine members, one from each Missouri Congressional District, appointed by the Governor and confirmed by the Missouri Senate. The members serve six year terms; no more than five of the nine members may be affiliated with the same political party.

The Coordinating Board serves as an informed spokesman for the public interest. Its statewide interest is distinct from the specific institutional authority vested in governing boards of colleges, universities, libraries and the specific academic discipline concerns of accreditation bodies.

The Coordinating Board is guided by public policy goals for Missouri higher education and libraries. From the direction provided by these policy goals, the Coordinating Board performs four major functions: statewide planning, policy analysis, academic program approval and review, and budget recommendations to the Governor and the General Assembly on operating and capital financing for four-year colleges and universities, on state aid to Missouri community colleges and on state aid to public libraries.

Four committees advise the Coordinating Board and the Board's staff: the CBHE Advisory Committee, a statutory committee comprised of eighteen college and university presidents and chancellors from the public and independent two-year and four-year institutions; the Library Advisory Committee, comprised of professional librarians from public, private and academic libraries; the Proprietary School Advisory Committee, a statutory committee comprised of professional educators from the proprietary school sector; and the Financial Aid Advisory Committee, comprised of college and university administrators, financial aid professionals, banking professionals, and members of the Missouri General Assembly.

The Coordinating Board for Higher Education has administrative responsibilities for the Missouri State Library, the Wolfner Memorial Library for the Blind and Physically Handicapped, the Missouri Student Grant Program, the Missouri Guaranteed Student Loan Program, the Missouri Parent Loans for Undergraduate Students Program, the Missouri Prospective Teacher Loan Program and proprietary schools. The Board also has organizational responsibility for the Missouri State Anatomical Board.

The 1986 Annual Report describes the action of the Coordinating Board in these areas for the academic year 1985-86, Missouri fiscal year 1986.

SUMMARY REPORT FOR FY 1986
ACADEMIC PROGRAM ACTION

The Coordinating Board for Higher Education has the statutory authority to review and act on academic programs for public higher education institutions and to review programs for independent higher education institutions. New programs have been approved and disapproved under specific criteria, developed in conjunction with the colleges and universities since the Coordinating Board's inception. Since 1982, program approval requires evidence of institutional reallocation of resources unless there is documented state need for the proposed program.

In FY 1986, eleven new academic programs were approved while eighteen were not approved. Twelve independent institutions' programs were received during this period. The total for new academic program actions for FY 1986 is forty-one (41). The type of institution and level of program are displayed below.

NEW PROGRAMS APPROVED FOR PUBLIC INSTITUTIONS FY 1986

Certificate	Associate	Baccalaureate	Graduate	Total
3	5	2	1	11

NEW ACADEMIC PROGRAMS NOT APPROVED FOR PUBLIC INSTITUTIONS FY 1986

Certificate	Associate	Baccalaureate	Graduate	Total
6	12	0	0	18

NEW PROGRAMS RECEIVED FROM INDEPENDENT INSTITUTIONS FY 1986

Certificate	Associate	Baccalaureate	Graduate	Total
0	2	5	5	12

TOTAL PROGRAM ACTIONS

Certificate	Associate	Baccalaureate	Graduate	Total
9	19	7	6	41

The Commissioner also acted on a total of seventy-three programs which were discontinued during FY 1986: thirty-eight academic programs and thirty-five options were deleted from the program inventories of the public institutions.

The Commissioner approved 342 junior college out-of-district course offering requests during FY 1986, plus a variety of short-term, non-credit courses relating primarily to health and safety issues. The policies and procedures for CBHE approval of public two-year out-of-district courses require that these programs be self-sustaining and not be used to increase the amount of state aid funding for which the colleges are eligible. The course offerings are submitted to CBHE prior to approval and are announced for a period of public comment before final action is taken.

STATEWIDE EXISTING PROGRAM REVIEW
Academic Year 1985-86

CBHE staff reviewed existing programs in graduate teacher education and health sciences education at all public two-year and four-year institutions during 1985-86. The final institutional recommendations on the graduate teacher education programs were approved by the Coordinating Board on June 27, 1986. The following are the general recommendations on graduate programs in education for all institutions as approved by the Coordinating Board.

Recommendation 1: Require each public university to submit to the CBHE a resource utilization plan for graduate programs in education with the fiscal year 1988 operating budget request. The plan must establish priorities within these programs.

Recommendation 2: Establish a five-year moratorium on new graduate programs in education at the doctorate and specialist degree levels unless a critical state need is identified that would suggest otherwise.

Recommendation to the State Board of Education:

The State Board of Education is encouraged to examine the certification requirements to determine if the number of specialized certification areas can be reduced.

Recommendations to the Public University Governing Boards:

Recommendation 1: Focus the scope of graduate programs in education by reducing the number of degree tracks and eliminating programs so as to concentrate available resources more efficiently and effectively.

Recommendation 2: Depending on institutional mission, ensure that the full-time equivalent (FTE) faculty teaching load is an average of approximately 500 student credit hours per FTE.

Recommendation 3: Ensure that the requirements in graduate programs of education are applicable to the needs of practicing public school staff, especially in the areas of curriculum and instruction, and educational administration, by developing and implementing outcome measures applicable to these programs.

Recommendation 4: Increase the involvement of the arts and sciences and the business administration and management faculty in graduate programs in education.

Recommendation 5: Review the reward system for faculty in graduate programs in education to include recognition of service to public school districts.

The statewide review of health sciences education programs for allied health and nursing was undertaken with the knowledge that the field to be reviewed was extremely challenging due to the number and complexity of such programs in Missouri's public colleges and universities and such variables as health care cost containment, professional licensure, and program accreditation issues.

The first public hearing on the CBHE staff recommendations for the health sciences statewide program review was held by the Coordinating Board's Committee on Academic Affairs on June 26, 1986. Institutional comments from the public two-year colleges were presented by the president of each institution or his designee.

The final action on the recommendations for existing academic programs in health sciences education was to occur in the fall of 1986 after the Coordinating Board had received comment from four-year institutions and interested professional associations.

PUBLIC COLLEGES AND UNIVERSITIES' INSTITUTIONAL PLANS

In February 1986, the Coordinating Board for Higher Education accepted institutional plans submitted by the governing boards from Missouri Southern State College, Southeast Missouri State University, University of Missouri at Columbia, University of Missouri at Kansas City, and University of Missouri at Rolla. These plans are regarded as having the potential to meet the statewide planning goals for Missouri public higher education. The plans had been submitted in response to recommendations passed by the Coordinating Board in June 1985.

The governing boards of Central Missouri State University, Missouri Western State College, Northwest Missouri State University, Southwest Missouri State University and the University of Missouri at St. Louis each submitted updated plans which were accepted by the Coordinating Board in October 1986. Lincoln University's updated institutional plan was tabled pending resolution of its financial situation.

The statutory mission change which designates Northeast Missouri State University a state liberal arts university requests that Northeast submit its plan to the Coordinating Board in January 1987.

The presidents of Missouri's public two-year colleges and CBHE staff developed a format and timeframe for the completion of plans describing institutional priorities and the means for achieving those priorities. These final planning reports are due on July 1, 1987.

ENROLLMENT CHANGES FALL 1985 AND FALL 1986

In 1986, the two-year public institutions experienced a 9.9 percent increase statewide in headcount enrollment. During the same period, there was a -0.7 percent decline statewide in the headcount enrollment at the public four-year institutions.

The data on Table 1 displays both headcount and full-time equivalency enrollment changes from fall 1985 to fall 1986.

TABLE 1.
PRELIMINARY ON-CAMPUS HEADCOUNT AND FULL-TIME EQUIVALENCY ENROLLMENT IN MISSOURI INSTITUTIONS, FALL 1985 AND FALL 1986

EQUIVALENCY	HEADCOUNT			FULL-TIME		
	FALL 1985	FALL 1986	% CHANGE	FALL 1985	FALL 1986	% CHANGE
STATE-SUPPORTED SECTOR						
University of Missouri	51,797	51,703	-0.2%	40,382	39,361	-2.5%
State Four-year	57,245	56,572	-1.2%	47,718	47,118	-1.3%
State Two-year	52,395	57,565	9.9%	28,280	28,942	2.3%
Subtotal	161,437	165,840	2.7%	116,380	115,421	-0.8%
INDEPENDENT SECTOR						
Independent Universities	18,731	18,666	-0.3%	13,171	15,648	18.8%
Independent Four-year*	26,838	28,135	4.8%	20,434	22,022	7.8%
Independent Two-year	1,195	1,223	2.3%	921	848	-7.9%
Subtotal	46,7464	48,024	2.7%	34,526	38,518	11.6%
TOTAL	208,201	213,864	2.7%	150,906	153,939	2.0%

NOTE: Comparisons between fall 1985 and fall 1986 are not to be taken as final and absolute. Changes in definitions and procedures in Fall 1986 are the reasons for the minor variation in the historical trend lines. Example: "On-campus" changes to "In-district" on the DHE02-2 forms for community colleges.

* Contains some preliminary headcount and FTE estimates; DHE02/EF form reconciliation in progress.

Source: DHE02 series

THE APPLIED PROJECTS FUND

The Coordinating Board for Higher Education approved three applied projects for funding. Northeast Missouri State University was granted $117,438 as the public's share of the cost of the Silicate-based Corrosion Inhibitors project with Orscheln Company, Moberly, Missouri. Lincoln University was granted $25,000 for the Thermodynamics of Biologically Active Materials project with Monsanto Corporation, St. Louis, Missouri. The third grant went to Northwest Missouri State University in the amount of $125,773 for the second year of the Woodland Management for Energy and Long-term Veneer and Lumber Production project with Morbark Industries, Inc., Winn, Michigan. The total state funding commitment for applied projects since the program began in 1982 is $818,321.

As provided for in Senate Bill 426, Section 173.545, responsibility for administration of the Higher Education Applied Projects Fund passed from the Missouri Coordinating Board for Higher Education to the Department of Economic Development in August 1986.

EDUCATION FOR ECONOMIC SECURITY ACT

The Education for Economic Security Act, passed by the U.S. Congress in August 1984 made federal funds available to the Missouri Coordinating Board for Higher Education. EESA is designed to stimulate improvement in the teaching of mathematics, science, computer learning, and foreign languages at the elementary and secondary education levels. In 1985, the Coordinating Board awarded twenty-seven grants totaling $457,829.35 to the public and independent four-year and two-year colleges and universities in Missouri.

DATA COLLECTION

The Integrated Postsecondary Education Data System (IPEDS) is now the primary data collection vehicle for the Coordinating Board. Eight data reports previously collected have been dropped from the requests as a result of the IPEDS installation. The action was taken in response to general administrative recommendations made by a data collection task force which was representative of all the sectors of Missouri higher education. Previously thirteen other data reports were dropped or simplified after a review by CBHE staff. The CBHE staff began collecting all reports in computer readable form in fall 1985.

POLICY ON RESIDENCE CENTERS

The Coordinating Board for Higher Education is authorized by statute for approving residence centers. A policy adopted by the Coordinating Board on June 27, 1986 defines the term "residence center" and states the appropriate point at which an institution should seek Coordinating Board approval of plans for such a facility. The policy defines a residence center as a site separate from the established existing campus of a four-year institution or outside the district boundaries of a two-year institution which has a continuing administrative and academic presence.

STUDENT ACHIEVEMENT STUDY

A Student Achievement Study to define and measure those factors that affect student performance as students move from a high school to a college or university environment and to produce student retention and transfer information through the entire undergraduate experience has been undertaken by the Coordinating Board in conjunction with the American College Testing Program (ACT). The Coordinating Board approved the staff recommendation for this study on June 27 and requested that all Missouri public colleges and universities participate in the study. Participating institutions will require that entering students take the ACT test and will provide the necessary data on enrolled students. The Coordinating Board emphasized that all data will be collected in the aggregate and that no information on individual students will be identified. The Board also noted that this request does not have any relationship to admission eligibility but is only requested for the informational purposes of the study. This is the first of a series of projects to improve undergraduate education.

POLICY ON COMMUNITY COLLEGE ELECTION FUNDING

In May 1986 the Coordinating Board adopted a policy to prevent the problems which arise if funding for community college elections is not addressed in the regular appropriations cycle. The policy states that a community intending to propose an election to form a junior college district must notify the Coordinating Board of its intent by January 15 of the calendar year preceding the year in which the election would be held. It is not necessary that this advance notification include voter petitions or the feasibility study, but the advance notification should identify the organization or individuals planning such a proposal and the school districts to be included in the proposal.

ST. CHARLES COUNTY JUNIOR COLLEGE DISTRICT ESTABLISHED

A new county-wide community college district in St. Charles County has been established and a Board of Trustees was certified by the Coordinating Board for Higher Education in April 1986. The first president of the district is Dr. Donald Shook, formerly President of East Central College in Union, Missouri.

GUIDELINES FOR APPROVING PROGRAMS AT NEW INSTITUTIONS

The establishment of the St. Charles County Junior College District in April 1986 stimulated Coordinating Board development of an approval process for new programs at new institutions. Since the Board was established in 1974, new program approval guidelines have existed for operating institutions with established resource bases. The staff has modified existing procedures to accommodate a new institution's need to develop academic programming prior to the time when submission of a customary program approval request would ordinarily be appropriate.

COLLEGE TRANSFER AND ARTICULATION GUIDELINES

The Coordinating Board adopted the present College Transfer Guidelines in February 1985 after a broad-based committee of institutional representatives had worked extensively on revisions to the previous document which had been published in 1983. The College Transfer Guidelines adopted by the Coordinating Board contain a delayed implementation date for the general education provision. The primary reason for the delay was to provide an opportunity for a faculty committee to review the provision and suggest changes. It was agreed at the CBHE Advisory Committee February 1985 meeting that a faculty committee consisting of 12 members with three each from the University of Missouri, public four-year institutions, public two-year institutions, and independent institutions undertake this assignment.

The twelve (12) member ad hoc faculty committee met several times during 1986 to propose and agree upon revisions to the general education portion of the Guidelines. The College Transfer Guidelines stipulate that exceptions to the prescribed general education core may be developed on a program by program basis through the means of special Associate of Science degree programs established between sending and receiving institutions.

The Coordinating Board adopted in Fall 1986 the revised College Transfer Guidelines as proposed by the CBHE Advisory Committee with the understanding that use of the new Associate of Science transfer degree for professional programs shall be limited to clearly necessary circumstances. The Coordinating Board also requested that the Commissioner develop an administrative rule on transfer, incorporating the CBHE Advisory Committee's recommendation.

MISSOURI STUDENT FINANCIAL AID PROGRAMS

NEED-BASED PROGRAMS

The Coordinating Board for Higher Education administers the Missouri Guaranteed Student Loan Program, the Missouri Parent Loans for Undergraduate Students Program, the Missouri Student Grant Program, and the Missouri Prospective Teacher Loan Program.

During 1985-1986, the Missouri Guaranteed Student Loan Program guaranteed 63,288 loans for a total of $149,654,359. The average loan was $2,365. A total of 741 lenders participated in the program.

During the same period, the Missouri Parent Loans for Undergraduate Students Program guaranteed 3,695 loans for a total of $9,962,830.

The Missouri Student Grant Program awarded $9,585,649.50 to 15,418 eligible Missouri students attending 80 Missouri postsecondary institutions. The total awarded included $1,485,382 from the federal program, the State Student Incentive Grant, and $8,100,267.50 from Missouri general revenue.

In December 1985, the Coordinating Board approved for publication the proposed administrative rule for the Missouri Prospective Teacher Loan Program. The proposed rule was filed with the Secretary of State for publication in the Missouri Register. The Board further authorized the Commissioner of Higher Education to proceed, after the public comment period and in the absence of significant comment, to file an Order of Rulemaking with the Secretary of State for publication in the Missouri Register so that Administrative Rule 6 CSR 10-2.070 could become effective at the earliest possible date.

The rule will govern implementation of the Missouri Prospective Teacher Loan Program, a provision of HB 463, the Excellence in Education Act of 1985. The loan program will allow the Coordinating Board to make educational loans to Missouri residents enrolled full time in approved teacher education programs at Missouri public or private institutions. Eligible students will be able to borrow up to a maximum amount of $1,000 for an academic year.

In 1986, the Missouri General Assembly created the Higher Education Academic Scholarship Program to encourage the top Missouri public and private high school graduates to attend Missouri colleges and universities. The program is based on academic ability as determined by composite scores on the American College Testing Program (ACT) or the Scholastic Aptitude Test (SAT) of The College Board. Missouri high school seniors scoring in the the top three percent on these tests will be offered scholarships of $2,000 per year to attend a Missouri college or university of choice for four academic years, providing appropriate academic progress is maintained.

Beginning with the 1987-88 academic year the Coordinating Board of Higher Education will administer the new program. The new scholarship program will help achieve a balance of financial aid programs for Missouri residents and reduce the number of the state's brightest high school graduates leaving Missouri to attend postsecondary institutions out-of-state. In the fall of 1985 approximately 34 percent of Missouri's National Merit Scholars went to Missouri postsecondary institutions while in 1983, approximately 56 percent attended Missouri postsecondary institutions.

MISSOURI STATE LIBRARY

The Missouri State Library is administered by the Coordinating Board for Higher Education. The library serves as a general reference and research library for agencies of state government and as a resource support for local public libraries. The State Library allocates State Aid to Public Libraries funds and is responsible for distributing federal Library Services and Construction Act monies.

The University of Missouri-Columbia library has been designated by the U.S. Government Printing Office as a federal regional depository library. The library was nominated by United States Senator Thomas Eagleton. The designation brings to fruition a recommendation made by the Coordinating Board Library Advisory Committee in September 1985.

The Guidelines for Selecting Priorities for Capital Improvement Projects for Public Libraries which were approved in February 1985 were reaffirmed by the Coordinating Board at its June 1986 meeting. These guidelines are the criteria for the allocation of federal Library Services and Construction Act funds to public libraries. The Library Services and Construction Act requires local libraries receiving funds to match the grant with local funds in the amount of 50 percent of total cost. The capital improvement guidelines set eligibility requirements for the libraries and projects and set priority rankings by type of capital improvement.

The Coordinating Board approved a position title change for the chief administrator of the state library from State Librarian to Assistant Commissioner for Libraries and State Librarian in December 1985. The intent of the title change is to emphasize the importance of coordination of libraries throughout the state as well as to encourage resource sharing.

WOLFNER MEMORIAL LIBRARY

Wolfner Memorial Library for the Blind and Physically Handicapped, a division of the State Library, is a federally designated regional library for the blind and physically handicapped and is primarily involved in mailing talking books and other library materials to eligible citizens across the state. During 1986 over 300,000 reading materials were circulated to approximately 10,000 individuals.

LIBRARY NETWORKS

The Missouri General Assembly and the Governor approved legislation during FY 1983 which mandated the existence of library networks and provided for partial funding of these networks in the future. In 1984, the Coordinating Board approved a schedule for the implementation of the library networks legislation. The scheduling involved the drafting, approval and filing of an administrative rule titled the "Library Network Rule."

Implementation of the rule will be delayed for at least one year during which time the entire library resource sharing picture for the state of Missouri will be studied. The Coordinating Board approved the delay at its June 1986 meeting and directed the CBHE staff to present specific recommendations related to library resource sharing. The board also directed the staff to review the suggestions of the Library Advisory Committee on Library Networks and make specific recommendations related to these in fall 1986.

PROPRIETARY SCHOOL CERTIFICATION PROGRAM

Applications have been taken for the certification of postsecondary proprietary schools in Missouri. Under this program many types of schools which have previously not been subject to state approval must be certified as in compliance with state standards in order to continue operations or to begin operations in Missouri. As of January 1, 1986, existing schools may not legally continue to operate unless they have submitted application prior to that date. In addition to regulation of the standards of operation this program provides a state-level source of information for the public concerning individual proprietary schools and the proprietary sector in general.

As of June 30, 1986, applications for certification from 147 institutions have been received and 51 certificates to operate have been issued through the Proprietary School Certification Program. An additional 41 schools have been approved for certification with the actual issuance of the certificates awaiting the receipt of the certification fees and the security deposits. One hundred or more schools voluntarily opted to cease operations during the interim from the enactment of the statute to the implementation of the application process.

In a clarification of the proprietary school surety regulation, the Coordinating Board authorized the Commissioner of Higher Education to accept security deposits by one of the following three instruments: (1) a surety performance bond; (2) an irrevocable letter of credit; and (3) a cash bond secured by a certificate or certificates of deposit.

SECOND REGULAR SESSION
83rd MISSOURI GENERAL ASSEMBLY
HIGHER EDUCATION LEGISLATION

OVERVIEW

The Second Regular Session of the 83rd Missouri General Assembly enacted numerous provisions that are beneficial to higher education. Among these are the Higher Education Academic Scholarship Program, authorization for the Coordinating Board for Higher Education to contract with private institutions for graduate/professional programs and/or services, a legal definition of library theft with penalty provisions, and legislation requiring all foreign-born teachers to be tested for English proficiency prior to accepting a teaching assignment.

In addition, before withholdings, fiscal year 1987 operating budget appropriations for all higher education programs and public institutions increased 3.4% over FY 1986. Appropriations to four-year institutions increased 9.3% and appropriations to two-year institutions increased 8.5%. This report is a summary of the Coordinating Board's recommendations and the legislative action on those recommendations.

FISCAL YEAR 1987 CBHE OPERATING APPROPRIATION

The fiscal year 1987 recommendations for public higher education funding were approved by the CBHE after lengthy public testimony and discussion. These recommendations represented funding for Coordination, Junior College District Elections, Proprietary School Oversight, Student Grant Program, Guaranteed Student Loan Program, Prospective Teacher Loan Program, Anatomical Board, Missouri State Library, State Aid for Public Libraries, State Aid for Junior Colleges, and the four-year colleges and universities. The total FY 1987 Coordinating Board recommendation for all categories was $569,217,972. The general assembly approved appropriations for the two- and four-year institutions at 100 percent of the CBHE recommendation. The governor signed into law an FY 1987 appropriation of $536,240,610 for all of higher education. This appropriation is 94.2% of the CBHE recommendation.

Public Four-year Colleges and Universities

The Coordinating Board's 1987 base recommendation of $387,959,500 for the four-year colleges and universities represented a 4.9% increase over the FY 1986 base recommendation.

The support levels for general revenue for the colleges and universities acknowledge differences among institutional purposes and sources of revenue. The CBHE public policy goals guided the determination of the budget recommendations for colleges and universities:

- To provide financial access to Missouri citizens to a system of higher education
- To promote quality as defined by institutional purpose and as measured by institutional outcomes
- To ensure the efficient use of state resources within the system of higher education

The CBHE budget recommendations reflect its concern for, and assessment of, the statewide needs for higher education services. These statewide needs were in three distinct areas in which higher education can provide important assistance to Missouri in its economic revitalization:

- Research and Development
- Manpower
- Technology Transfer

The fiscal requirements for these critical state needs are vastly different from what they were even four years ago. The Coordinating Board's recommendations acknowledge each college and university's unique role in meeting these state needs.

Social Security Transfer

FY 1986 was the first year that appropriations for the four-year public institutions included an estimated amount for the Employer's Social Security contribution. In previous years the Social Security contribution has been included in an "open end" appropriation to the Office of Administration. The legislative objective in appropriating funds directly to the institutions for this purpose was to produce a comprehensive picture of all state funds available to higher education in Missouri.

The FY 1986 appropriation was based on an estimate with the understanding that additional funds might be required as institutions developed more experience in budgeting for this item. A supplemental appropriation of $2,975,176 was necessary in FY 1986 to complete the transfer of social security payments. This was requested and approved by the General Assembly.

Targeted State Investments FY 1987
Four-year Colleges and Universities

The Coordinating Board submitted a few highly selected targeted state investment opportunities for consideration for the four-year institutions. These individual projects were identified for general revenue support in addition to the base support. The targeted state investments were projects identified by the institutions within the statewide emphasis areas adopted by the Coordinating Board in May 1985. Only those institutions that demonstrated

reallocation in FY 1985 of existing resources to instruction (instruction and research at the University of Missouri) or from lower to higher academic priorities were considered for targeted investments. Reallocations at the institutions equalled twice the amounts recommended for the targeted state investments.

The targeted state investments are listed in the categories of undergraduate education improvements and statewide manpower and research needs. In addition, one-time appropriations were recommended for legislative mandates, one-time expenditure requests for opening new buildings, and challenge grants.

Recommendations For Targeted State Investments

- $651,377 for undergraduate education improvements for Southeast, Southwest, Northwest, and Western.
- $2,722,520 for state manpower and research needs for Central, Southeast, and the University of Missouri system.
- $3,338,000 for legislative initiatives for Northeast and the University of Missouri - Columbia.
- $1,236,715 for opening new buildings at Southeast, Southwest, Southern, Western and the University of Missouri - Columbia.
- $500,000 for the Challenge Grant at Harris-Stowe.

The total recommendations for targeted state investments for FY 1987 was $8,891,747.

Maintenance and Repair Projects

The maintenance and repair projects (first three CBHE priorities) were included in addition to the formula produced recommendations in the operating budget recommendation for the four-year institutions for fiscal year 1987.

This was the first time a recommendation was made to move critical maintenance and repair projects to the operating budget. Historically, in Missouri, maintenance and repair projects are considered in the capital request and funded in the capital appropriation bill. The move of critical maintenance and repair projects to the operating budget acknowledged that funding intended for instruction and research often must be diverted to repair leaking roofs and windows, electrical, heating, plumbing and other maintenance items. A total of $20,797,631 was requested for critical maintenance and repair projects.

Appropriation Signed Into Law For The Four-year Institutions

The FY 1987 appropriation as approved by Governor Ashcroft for the ten four-year public institutions was $389,616,645. This included $378.3 million for the "base," an increase of 6.1% over the FY 1986 base appropriation. In addition, selected targeted investment projects were approved in the categories of undergraduate education improvements and statewide manpower and research needs.

Appropriations for Targeted State Investments

-- Undergraduate Education Improvements

Southeast Missouri State University

Measurable Outcomes for Writing Across the Curriculum	$100,000

Northwest Missouri State University

Measuring Institutional Effectiveness	$150,000

-- State Manpower and Research Needs

Central Missouri State University

Technology Development Center	$250,000

University of Missouri-Columbia

Biotechnology Center	$1,000,000

University of Missouri-Rolla

Intelligent Manufacturing Systems and Materials Research	$550,000

University of Missouri-Kansas City

School for Basic Life Sciences	$685,000
TOTAL	$2,735,000

An amount of $2,000,000 was approved for the University of Missouri's Food for the 21st Century Program and $888,000 for Northeast's mission as a liberal arts institution. Harris-Stowe received $200,000 to develop a Model Cooperative Program with other St. Louis colleges, universities and secondary schools to improve college going and retention rates among inner city and nontraditional students. An appropriation totalling $310,816 for costs related to opening new buildings was made to Southeast, Southwest, Southern, Western and the University of Missouri.

Funds for retirement benefits for institutional employees in the amount of $3,191,919 were transferred to the institutions from the Office of Administration. Finally, $2,030,400 was appropriated for the University of Missouri for engineering equipment. This was originally part of the capital improvements request and was funded as part of the operating appropriation. The total appropriated for targeted state investments and one-time appropriations is $11,356,135. Adding this to the base appropriation of $378,260,510 gives the four-year institutions a total appropriation of $389,616,645. This is a 9.3% increase over the FY 1986 base appropriation.

State Aid to Community Junior Colleges

The recommendation for State Aid to Community Junior Colleges was comprised of two parts. First, as prescribed by statute, was the basic support calculated as a specific amount per credit hour produced in either vocational or general categories and resulted in a recommendation of $51,844,895.

The second component of the FY 1987 recommendation was intended to provide for targeted state investments to the community colleges. Unlike the recommendations for the four-year institutions, the amount was not based on reallocation of existing resources. Rather, the projects were either a reflection of specific state manpower training needs such as the Wastewater program at Crowder or they address specific statewide concerns and have potential transferability. General revenue was recommended for five proposals which reflect efforts in the emphasis areas as adopted by the CBHE. Crowder College - Water/Wastewater Management is the only such program of its kind in the state and was recommended for $23,475 to upgrade instructional equipment.

East Central, Jefferson and Mineral Area were recommended for a consortium program designed to assist individuals who are not presently in the job market to enter or re-enter with appropriate training. This re-entry program has been operating successfully at Mineral Area and would be expanded to the other two campuses. The program assists individuals in learning what types of training programs are available, which ones would be best for them, how to apply for admission and how to secure financial aid ($77,850).

Metropolitan Community Colleges were recommended for competency based career programs in the major programs - business, health service, natural sciences technologies, public service related technologies, mechanical and engineering technologies, animal health, and aviation maintenance technologies. Achievement of consistent instruction within courses, programs, and between campuses would strengthen these programs for students and improve undergraduate education ($178,300).

Two projects were recommended at St. Louis Community Colleges - one to develop outcome measures appropriate to the community college mission ($68,000). The second would establish an

articulation center to assist high school students in choosing postsecondary opportunities as well as clearer articulation with four-year institutions for community college students ($86,160).

The governor approved 100% of the Coordinating Board's recommendation of $51,844,895 for base support of the community junior colleges. This represented an 8.5% increase over FY 1986 The targeted investments were appropriated by the legislature but vetoed by the Governor.

Supplemental Appropriation Request, FY 1986
Junior College District Elections

Missouri Revised Statutes provide that when a petition to organize a junior college district has received the required number of signatures and an acceptable feasibility study, the Coordinating Board shall order a vote on the question in a municipal election. State election laws provide that the political unit ordering an election is responsible for paying the election costs.

During FY 1986 elections were held in Grundy County for the Trenton Junior College and in St. Charles County for a proposed junior college district. A total of $22,500 was estimated as the cost for these two elections. The governor approved $16,000 of this request.

Department of Higher Education

The Department of Higher Education is charged with the operation of the Coordinating Board's responsibilities for Coordination, Missouri Student Grant Program, Missouri Guaranteed Student Loan Program, Prospective Teacher Loan Program, Proprietary School Regulation, Missouri State Library, Wolfner Memorial Library for the Blind and Physically Handicapped and the State Anatomical Board. The department administers and distributes funds for the State Aid to Community and Junior Colleges, State Aid to Public Libraries and the Missouri Student Grant Program. Federal funds are administered through the Education for Economic Security Act, Missouri Student Grant Program, and the Library Services and Construction Act. This request contained a reduction of 2 FTE positions in the budget of the Wolfner Library to accomplish these on-going responsibilities. The request of $72,114,729 (includes $50,000,000 for guaranteed loan investments) was for minimal increases for salaries and operating expenses. For all of these programs, $71,575,326 was approved. This appropriation was a 1.4% increase over the FY 1986 appropriation and includes both federal funds and state general revenue.

For FY 1987 the following programs having expanded responsibilities and increased costs are discussed individually.

Missouri Student Grant Program

The requested increase of $545,667 for the program was for distribution to students. The increase was tied to the Higher Education Price Index (6.7%) and was estimated to fund 500 additional Missouri students for attendance at Missouri institutions.

The appropriation for student grants was increased from $9.7 million to $10.2 million, an increase of 5.2%. Grant levels to students are based upon unmet financial need, thus much of the current grant program funds go to students enrolled in private institutions, since their costs are generally higher than the public sector.

State Aid to Public Libraries

The Missouri Constitution and Statutes provide for state assistance to public libraries created in accordance with state law. All funds appropriated are allocated to 153 local libraries on a per capita basis for the population served by each library. The CBHE policy factor for library acquisitions (4%) was utilized and resulted in a requested increase of $332,311 for a total recommendation of $2,097,811. An appropriation of $1.8 million was approved for FY 1987, an increase of 4.0% over FY 1986.

Higher Education Academic Scholarship Program

The Higher Education Academic Scholarship Program introduced by HB 1356 and SB 556 is a program for high school students who have demonstrated superior academic achievement as determined by the composite scores on the American College Testing Program (ACT) or the Scholastic Aptitude Test (SAT) of the College Board. The top three percent of all Missouri students will be offered a scholarship to the Missouri college or university of his/her choice upon graduation from high school.

It was estimated that 1,000 students will initially participate in the first year, at a cost of $2,000,000. The highest estimated cost for this program, fully implemented, with 4,000 students participating is $8,000,000 This legislation, as passed, is discussed further under Substantive Legislation.

Regional/Academic Library Network

The Missouri Statutes authorize network arrangements between libraries to improve the effectiveness and efficiency with which libraries deliver services to the state's citizens. As a part of the entire resource sharing process in the state, this legislation allows compensation for the net lenders. Net lenders are those libraries which loan more books to other libraries than they borrow. The request was for $140,000 to be made available to libraries participating in the network activities and designated as

a net lender. The funds would be distributed on a $5.00 per book loan basis to compensate for the costs of purchase, processing, and lending. This request was approved and appropriated from federal funds under the Library Services and Construction Act.

System 36 Storage

The current System/36 used by the Department of Higher Education has a minimum of 200 megabytes of disk storage. Expansion of users and application in the next fiscal year will require additional storage for documents and data files. Storage is available in increments of 20 megabytes with a capacity of 800 megabytes. An amount of $9,350 was requested for increased storage. This request was not approved by the General Assembly.

Wolfner Library Network Access

The Coordinating Board has set the goal of increasing the number of the state's blind and physically handicapped citizens who have access to the Wolfner Library's special materials. This proposal provides a means for local public and academic libraries to assist handicapped patrons by accessing the Wolfner computer system's data base of materials available through the Wolfner Library.

The requested funds of $40,000 would provide a micro-computer for each of the regional libraries with the capability of dial-up access to the Wolfner computer system and the equipment necessary for the Wolfner computer to handle this additional access. This request was approved and appropriated from federal funds under Title I, II, and III of the Library Services and Construction Act.

Library Services and Construction Act

Missouri continues to be eligible to receive federal funds under Title I, II, and III of the Library Services and Construction Act for use by the State Library as well as public libraries. Part of the federal funds must be utilized for resource grants to the libraries in the metropolitan areas, grants to state-supported institutions and to Wolfner. The request was for authorization to receive an increase of $277,209 in FY 1987. Authorization was granted to receive this amount, but the distribution was altered to pinpoint $40,000 for the Wolfner Library and $140,000 for the Regional/Academic Library Network. An amount of $97,209 of the requested increase for this act was approved. The total appropriation for this act was $2,432,638.

The following chart summarizes the FY 1987 operating appropriations to higher education.

SUMMARY OF HIGHER EDUCATION APPROPRIATIONS, FY 1987
SIGNED INTO LAW

	Base Appropriation Amount	Base Appropriation Percent Change	Targeted State Investments	Legislative Mandates	One-Time Projects	Opening New Buildings	Transfer* Retirement	Engineering Equipment	FY 1987 Total	Percent Change FY 1986 to FY 1987
Higher Ed. Coordination	$ 1,311,932	1.2%							$ 1,311,932	1.2%
Jr. College District Elections	16,000	0.0							16,000	0.0
Proprietary School Oversight	53,105	1.4							53,105	1.4
Student Grant Program	163,399	2.1							163,399	2.1
Student Grant Distribution	16,194,279	5.2							16,194,279	5.2
Guaranteed Loan Program	3,015,921	3.1							3,015,921	3.1
Guaranteed Loan Investments	58,000,000	0.0							58,000,000	0.0
Prospective Teacher Adm.	101,798	−0.9							101,798	−0.9
Prospective Teacher Loans	1,000,000	0.0							1,000,000	0.0
Anatomical Board	3,000	0.0							3,000	0.0
State Library	1,048,583	18.6							1,048,583	18.6
Wolfner Library	398,482	14.4							398,482	14.4
State Aid—Public Libraries	1,836,128	4.0							1,836,128	4.0
Federal Library Funds	2,432,638	4.2							2,432,638	4.2
Subtotal CBHE Programs	$71,575,328								$71,575,328	
Two-year Institutions	$51,844,896	8.5%							$51,844,896	8.5%
Four-year Institutions										
Central	$ 25,422,231	4.9%	$ 250,000				$ 488,385		$ 26,161,616	8.0%
Southeast	24,844,022	5.9	100,000			$ 31,750	419,839		25,195,611	8.3
Southwest	35,676,271	8.3				141,097	982,221		37,799,589	11.5
Lincoln	8,337,891	3.8							8,337,891	3.8
Northeast	19,389,446	6.4		$ 888,000			338,996		20,626,881	13.1
Northwest	14,499,253	7.1	150,000				333,824		14,934,077	10.7
Southern	9,845,291	11.1				13,897	204,758		9,863,946	13.6
Western	9,[illegible],318	9.3				17,553	238,243		10,111,114	12.2
Harris-Stowe	3,911,488	5.3			$200,000		101,798		4,213,286	13.4
University of Missouri	225,919,539	5.8	2,236,000	2,000,000		108,519	112,337	$2,039,409	232,403,798	8.6
Total Four-year Institutions	$378,269,510	6.1%	$2,736,000	$2,888,000	$200,000	$310,816	$3,191,919	$2,039,409	$389,816,945	9.3%
Other University of Missouri										
Hospital & Clinics**	$ 14,472,389	−2.4%					$1,027,889		$ 15,500,000	4.5%
Mo. Inst. of Psychiatry	2,163,398	1.7					90,585		2,253,883	5.9
State Historical Society	582,225	8.3					27,154		609,379	14.4
Research Assistance Fund	809,000	−10.1							809,000	−10.1
Missouri Kidney Program	4,029,859	3.3					10,642		4,040,472	3.6
Subtotal Other U. of MO.	$ 22,047,795	−1.1%					$1,155,949		$ 23,203,744	4.1%
TOTAL	$523,738,529		$2,736,000	$2,888,000	$200,000	$310,816	$4,347,868	$2,039,409	$536,240,810	

*Funds for Retirement transfer from Office of Administration to public four-year institutions

**Base recommendation no longer includes $1,479,500 for inmate public health care transferred to Department of Corrections

FY 1987 CAPITAL APPROPRIATION

One of the statutory responsibilities of the Coordinating Board is planning for the preservation and development of higher education facilities at state-supported institutions. The physical plant needs of institutions are assessed by architects, engineers and professional plant managers employed by individual institutions. The Coordinating Board uses a set of guidelines developed with the advice of representatives from all institutions to establish priorities among projects and institutions and to classify projects by type and functions. This provides a statewide priority list for all of higher education by type of project and function. These guidelines place first priority on maintenance and repair projects. The Coordinating Board made a strong recommendation that no other projects be funded until maintenance and repair projects are completed.

The other capital improvement categories in priority order are remodeling and renovation, handicapped accessibility, energy conservation, planning and new construction. Priority is given to remodeling and planning projects that reflect the academic needs of an institution, the centrality of the project to the mission of the institution, and to the role the institution plays in the state system of higher education. State manpower needs as well as institutional enrollment trends and projections are also examined as capital projects are reviewed.

The existing Missouri public higher education facilities have a total replacement value of over $2 billion. Facility planning and standards indicate that one percent of that amount, or over $20 million per year, should be spent on maintenance and repair and an additional $20 million on major renovation. The funds available for capital improvements have been far less than this standard. Major deterioration has occurred with accompanying higher costs to remediate deferred maintenance.

The Coordinating Board recommended $23,906,510 for maintenance and repair, $22,453,362 for remodeling and renovation, $1,151,813 for handicapped accessibility, $400,722 for energy conservation and $889,000 for planning. No funding was recommended by the CBHE for new construction. With significant financial commitment necessary for maintenance and repair as well as remodeling and renovation, the CBHE recommended priority funding of projects to preserve and enhance current facilities, before constructing new space.

Legislators appropriated $18,220,176 for maintenance and repair and $26,928,754 for construction, for a total appropriation of $45,148,930. The governor vetoed $17,865,680, and then withheld $8,542,640 of the capital appropriation. This left a total capital appropriation of $18,780,550 for FY 1987.

The following table shows the FY 1987 capital improvement appropriation by institution and by funding category.

FY 1987 Capital Improvements Appropriations*

	Maintenance/ Repair	Remodeling Renovation	Handicapped Accessibility	Energy Conservation	Planning	Construction	Total
Central	247,800	116,700					364,500
Harris-Stowe	90,191						90,191
Lincoln	260,114	1,285,165					1,545,279
Southern		1,900,000					1,900,000
Western	96,540						96,540
Northeast	972,289						972,289
Northwest	117,000	683,000					800,000
Southeast	298,195	400,000					698,195
Southwest	82,320	1,710,745					1,793,065
UM-Central Adm.							0
UM-Columbia	2,729,876	175,822			500,000		3,405,698
UM-Hospital							0
UM-Agr. Exp. Sta.	381,691	7,329					389,020
UM-Kansas City	211,508	3,650,000					3,861,508
UM-Rolla	66,600	24,125			125,000		215,725
UM-St. Louis	448,540					2,160,000	2,608,540
UM-Research Park							0
Total	6,002,664	9,952,886	0	0	625,000	2,160,000	18,740,550

*Excludes withholdings documented by the Office of Administration as of August 19, 1986.

SUBSTANTIVE LEGISLATION FOR HIGHER EDUCATION

CBHE Priorities

The Coordinating Board for Higher Education established the following legislative priorities for the 1986 legislative session at their December 1985 meeting:

- The Higher Education Academic Scholarship Program. This provides the top 3% of graduating high school seniors with scholarships;
- Legislation allowing the CBHE to contract for graduate-professional programs and/or services with private institutions if there is demonstrated need and subject to appropriations;
- Legislation requiring that all foreign born teachers must be tested for English proficiency prior to accepting a teaching appointment;
- The definition of library theft with penalty provisions.

During the legislative session all of the above were passed by the General Assembly. The following is a review of the priorities as truly agreed to and finally passed.

HB1356 -- Academic Scholarship Program
Section 173.385 and 173.390 RSMo.

This bill establishes the Higher Education Academic Scholarship Program for Missouri high school seniors whose composite scores on the ACT or SAT are in the top 3% of Missouri high school seniors taking the test in the year in which they graduate from high school. Scholarships in the amount of $2,000 will be available for the freshman year of study, beginning in the fall of 1987 and are renewable at $2,000 each for the sophomore, junior and senior years if eligibility requirements are met. Interest from the State Guaranty Student Fund is to be used to provide revenue for this program. Additionally, the bill expands the powers of the Higher Education Loan Authority by authorizing the authority to issue other forms of indebtedness besides tax-exempt bonds.

Sponsors of this legislation were Senators Richard M. Webster, Roger Wilson, John Dennis and Representatives Ken Jacob and Winnie Weber. SB556 introduced in the Senate, was originally identical to HB1356.

SB630 -- Contract for Professional/Graduate
Programs and Research Services
Section 173.051 RSMo.

This bill authorizes the Coordinating Board for Higher Education to submit requests for appropriations for the purposes of contracting with independent universities within the state of Missouri to provide professional or graduate programs of instruction for Missouri citizens or research service for the state of Missouri. The Coordinating Board must demonstrate to the General Assembly that the program or service fulfills a state manpower or research need that is not available in Missouri's public universities in the area in which it is located.

This legislation was sponsored by Senators Edwin L. Dirck, Richard M. Webster and Thomas W. McCarthy and Representatives Winnie Weber and Marvin Proffer. HB1292 was a duplicate of this legislation.

SB602 -- English Proficiency and Harris-Stowe/Student Curator
Section 174.310 RSMo.

An amendment to SB602 added the requirement that any person whose primary and secondary education was not received in an English speaking nation or territory be tested for their proficiency in English before receiving a teaching appointment in any higher education institution in Missouri. This was originally introduced in HB951, which was 64th on the House calendar for Perfection toward the end of the session.

In addition, SB602 has two other provisions that were not priorities of the Coordinating Board. It allows Harris-Stowe to develop and offer a secondary education program in collaboration with the University of Missouri-St. Louis. This will allow Harris-Stowe to offer programs in both elementary and secondary education and more fully meet the needs of the students and the community. In addition, this legislation appoints a student representative to the Lincoln University Board of Curators. Currently all other state colleges and universities have this provision. The bill requires all student curators and student regents to pay all tuition and fees when due. Representative Stephen Danner sponsored HB951 and Senator John F. Bass sponsored SB602.

SB450 -- Omnibus Crime Bill and HB1372 -- Library Records
SB450 - Sections 570.200, 570.210 and 570.215 RSMo.
HB1372 - Sections 182.050 and 570.200 RSMo.

SB450 defines the crime of library theft. This legislation was signed by the Governor on March 17, 1986. An error was found in the wording after the Governor signed the bill and a technical correction was added to HB1372, the library records disclosure bill. HB1372 gives the library authority to prosecute a person

failing to return library materials. These bills provide a means for libraries to retrieve stolen materials and therefore provides for a protection of public property.

There are two other provisions of HB1372 that were not priorities of the Coordinating Board. This bill requires that the board of trustees of the county library district be composed of residents of the district. It also stipulates that no employee of the library is required to release library records except when requested by the person in the record or in response to a court order.

Senator Harold L. Caskey sponsored SB450 and Representative Sheila Lumpe sponsored HB1372.

Other Higher Education Legislation

Several other measures passed this legislative session that have direct impact on higher education.

SB657 -- University Research Park
Section 172.273 RSMo.

This legislation clarifies the powers of the Board of Curators and the University of Missouri to enter into long lease agreements providing for research, development, and office park projects to promote cooperative relationships and provide for shared resources between private individuals, companies, corporations, and the University of Missouri. The bill allows the curators to purchase or lease necessary land, arrange for constructing of necessary facilities and utilize the power of eminent domain.

Senator Henry Panethiere was the sponsor of this legislation.

SB426 -- Reorganization: Higher Education
Research Fund and Applied Projects
Sections 173.510, 173.515, 173.520, 173.525, 173.530
173.535, 173.550, 173.555, 173.565 RSMo.

This bill contains numerous sections relating to reorganization of state government. As it pertains to higher education the bill would open the Higher Education Research Fund to use by both public and private universities in Missouri. Reflecting a prior request from the CBHE, it moves the administration of the Higher Education Applied Projects Fund from the Coordinating Board for Higher Education to the Department of Economic Development. This legislation changes the definitions of "university" and "institution" so that a much larger number of colleges and universities will now be eligible for both Applied Projects funding and the Higher Education Research Program. This legislation was sponsored by Senator Norman Merrell.

HB1387 -- Mutual Benefit Associations
Sections 176.500, 176.505, 176.510, 176.515, 176.520
176.525, 176.530, 176.535, 176.540 RSMo.

This legislation authorized the incorporation of mutual benefit associations for certain higher education institutions, for the purpose of pooling funds to share in liabilities and losses related to real or personal property, automobiles, health and disability, or any other risk except life insurance dealing with annuities. This is a benefit to higher education by allowing institutions to pool their efforts in securing insurance coverage.

Representative Dewey Crump sponsored this legislation.